

Agenda

Item #10

Note: proposed changes
are shaded.

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
135 State House Station
Augusta, Maine 04333-0135
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2008 EXPENDITURE GUIDELINES FOR MAINE CLEAN ELECTION ACT CANDIDATES

Candidates must spend Maine Clean Election Act (MCEA) funds for campaign-related purposes and not for other purposes such as the candidate's personal benefit, party-building, or to promote another candidate's campaign.

■ Expenditures for "campaign-related purposes" are those which are traditionally accepted as necessary to promote the election of a candidate to political office. Candidates using MCEA funds must also take into account the public nature of the funds, the underlying objectives of the MCEA, and the reasonableness of the expenditures under the circumstances. In Maine, traditional campaign expenses have included:

- Printing and mailing costs;
- Political advertising expenses;
- Campaign communications such as signs, bumper stickers, T-shirts, or caps with campaign slogans, etc.;
- Office supplies;
- Campaign events (e.g., food, rent of tent or hall, etc.);
- Campaign staff expenses; and
- Campaign travel expenses, such as fuel and tolls.
- An entry fee for an event organized by a party committee, charity, or community organization or an ad in an event publication, as long as the expenditure benefits the candidate's campaign;

moved
from the
"may not"
section,
below

■ ~~Candidates may not use MCEA funds for personal expenses or as loans to themselves.~~

Personal expenses are for goods and services that the candidate would otherwise purchase independently of the campaign, such as:

- Day-to-day household food items and supplies;
- Vehicle and transportation expenses unrelated to the campaign;
- Mortgage, rent, or utility payments for the candidate's personal residence, even if part of the residence is being used by the campaign; and
- Clothing, including attire for political functions such as business suits or shoes.

■ Maine Clean Election Act funds may not be spent to:

- make independent expenditures supporting or opposing any candidate, ballot measure, or political committee;
- assist in any way the campaign of any candidate other than the candidate for whom the funds were originally designated;
- contribute to another candidate, a political committee, or a party committee, other than in exchange for goods and services;
- pay a consultant, vendor, or campaign staff, other than in exchange for campaign goods or services;
- ~~make a thank-you gift (including a gift card) to a volunteer or supporter;~~
- compensate the candidate for services provided by the candidate;
- make a donation to a charity or a community organization, other than in exchange for campaign goods or services;
- promote political or social positions or causes other than the candidate's campaign;
- pay civil penalties, fines, or forfeitures to the Commission, or defend the candidate in enforcement proceedings brought by the Commission; or
- assist the candidate in a recount of an election.

■ Guidelines on Selected Issues

- *Electronics and Other Personal Property.* Goods purchased with MCEA funds that could be converted to personal use after the campaign (e.g., computers, fax machines, and cellular telephones) must be reported on Schedules B and E of the candidate reporting form. No later than 42 days after the general election, the goods must be sold at fair market value and the proceeds returned to the Maine Clean Election Fund. Candidates are welcome to lease electronic and other equipment.
- *Food.* Candidates may spend a reasonable amount of MCEA funds on food for campaign events or to feed volunteers while they are working. Legislative candidates may not use MCEA funds to purchase food that is consumed only by the candidate and/or the candidate's spouse.
- *Car Travel.* MCEA campaigns may reimburse the candidate or campaign workers for their car travel, as long as the person reimbursed has kept a travel log. For 2008, the campaign may make a travel reimbursement up to the number of miles traveled (as reported in the log) multiplied by \$0.38. Campaigns must keep the travel logs for two years, and provide them to the Commission if requested. Candidates and their spouses or domestic partners may spend any amount of their personal funds for campaign travel without seeking reimbursement. Other individuals may spend up to \$100 of their personal funds to pay for travel without making a contribution to the campaign.
- *Lodging.* Candidates may use MCEA funds to pay for lodging if necessary for campaign purposes, but must keep lodging expenses reasonable.
- *Post-Election Notes and Parties.* Candidates may spend up to the following maximum amounts of MCEA funds on post-election parties, thank you notes, or advertising to thank supporters or voters: \$250 for State Representative candidates and \$500 for State Senate candidates. Candidates may also use personal funds for these purposes.
- *Campaign Training.* Candidates may use Maine Clean Election Act funds for tuition or registration costs to receive training on campaigning or policy issues.
- *Salary and Compensation.* Candidates may use MCEA funds to pay for campaign-related services by staff or consultants, provided that compensation is made at or below fair market value and sufficient records are maintained to show what services were received. Documentation must include a description of the labor performed by the staff member or consultant, and an itemization of any goods or services purchased from other vendors including date, vendor, and amount.

■ Required Record-Keeping

The MCEA requires participating campaigns to keep two documents for every expenditure over \$50: (1) an invoice from the vendor listing the goods or services purchased, and (2) a canceled check or other acceptable proof of payment to the vendor. Please select a treasurer who will be responsible about keeping these records.

■ Auditing and Compliance

In 2008, the Commission staff will audit 20% of MCEA candidates and will review all receipts and expenditures disclosed by MCEA candidates in campaign finance reports. The Commission frequently requests additional information from candidates to verify that public funds were spent for campaign-related purposes. Candidates who misuse public funds may be required to repay some or all public funds received, may be liable for civil penalties, and may be referred to the State Attorney General for possible criminal prosecution.



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To: Legislative Leadership and Staff
Joint Standing Committee on Legal and Veterans Affairs
Joint Standing Committee on Appropriations and Financial Affairs
State Political Parties
Other Interested Persons

From: Jonathan Wayne, Executive Director

Date: June 26, 2007

Re: Invitation to Comment on Maine Clean Election Act Issues

At their meeting on July 16, 2007 at 9:00 a.m., the members of the Ethics Commission will be making two decisions about administering the Maine Clean Election Act in the 2008 elections. You are invited to comment in writing or in person at the meeting. My e-mail address is Jonathan.Wayne@maine.gov.

Payment Amounts for Maine Clean Election Act Candidates

The amounts of the initial payments made to MCEA candidates are based on average candidate spending in the two previous elections. The Commission is required to recalculate the payment amounts at least once every four years. At the July 16 meeting, the Commission members will decide whether to adjust the payment amounts for 2008 or to keep them at the 2006 levels.

	2006 Payment Amounts	Adjusted Amounts (based on spending in 2004 and 2006)	Percent Difference
Primary Election			
Contested House candidates	\$1,504	\$1,708	14%
Uncontested House candidates	\$512	\$556	9%
Contested Senate candidates	\$7,746	\$7,900	2%
Uncontested Senate candidates	\$1,927	\$2,072	8%
General Election			
Contested House candidates	\$4,362	\$5,116	17%
Uncontested House candidates	\$1,745	\$2,046	17%
Contested Senate candidates	\$20,082	\$23,381	16%
Uncontested Senate candidates	\$8,033	\$9,352	16%

The Commission staff is inclined to use the 2006 payment amounts in 2008 for two reasons. First, maintaining the 2006 payment levels would control the long-term cost of the program to a degree. In 2006, the Commission paid about \$3.3 million to legislative candidates. Since the Commission is anticipating a shortfall for the 2010 elections, it seems prudent to take reasonable measures now to reduce the size of the shortfall. The second reason is that the 2006 amounts were adequate for legislative campaigns. We received no complaints that the 2006 amounts were inadequate or that MCEA candidates were at a disadvantage.

Proposed Changes to Expenditure Guidelines for 2008

On July 16th, the staff will propose the attached changes to the MCEA expenditure guidelines for legislative candidates. We try to find the right balance between keeping the public funding program accountable to taxpayers and giving candidates the flexibility they need to campaign as they think best. If you believe the staff is headed in the wrong direction, please let the Commission know. Our proposed changes would:

- give candidates greater latitude to use MCEA funds to attend a party or charity event or to purchase an ad in an event newsletter, as long as the expenditure has value for the campaign.
- clarify that MCEA candidates may reimburse the candidate or a supporter for car travel in any amount up to \$0.38 per mile. The amended guidelines would emphasize that the person being reimbursed is required to keep a log of their travel, which has been in the Commission's rules since 1998.
- prohibit candidates from using MCEA funds to buy gifts for volunteers and supporters. Candidates could continue to use MCEA funds to compensate campaign workers for their labor or to use a limit amount of MCEA funds for a post-election party. We propose prohibiting gifts, however, to safeguard the public perception that MCEA funds are well-spent. Candidates could use their *personal* funds to buy a gift for a volunteer.
- clarifying that if a consultant working for a MCEA candidate purchases services from another vendor (such as a mailhouse), that purchase should be itemized in the invoice that the candidate receives from the consultant. All candidates are required to itemize purchases made by consultants on their campaign finance reports.
- giving candidates clear notice of what records are required for expenditures over \$50 and that the Commission intends to audit 20% of legislative candidates.

Thank you very much for any comments you wish to provide.

Wayne, Jonathan

From: Pat Flood [patricksflood@adelphia.net]
Sent: Friday, June 29, 2007 12:46 PM
To: Wayne, Jonathan
Subject: MCEA Comments requested

Dear Jonathan,

Thanks for the chance to comment on the ideas in your June 26th memo.

I concur that we should keep the 2008 payment amount to MCEA candidates to the 2006 levels. I generally just think it's a good idea to be conservative with the money that the People entrust us to use. I agree with the Commission staff's thoughts on this.

I agree we should be clear that MCEA funds can not be used to buy gifts for campaign volunteers or supporters.

I agree with all the other items you listed as well.

I've run as both a Traditional and Clean Election candidate and I thought that the Clean Election process was quite straightforward.

I hope you have a pleasant summer.

Sincerely,

Pat Flood
State Representative Dist 82 Winthrop and Readfield

7/9/2007